

25 October 2023

Auclair Lithium Project, James Bay, Canada

# Auclair emerging as major lithium discovery with three large spodumene-bearing pegmatites identified

Two of the new pegmatites sit side by side and measure up to 75m long x 50m wide and 65m long x 30m wide; all contain widespread spodumene mineralisation\*

## Highlights

- Cygnus has made a major discovery at its Auclair project, identifying three new spodumene-bearing pegmatites\*
- Two of the three pegmatites, together named “Pegasus”, sit side by side and measure up to 75m long x 50m wide and 65m long x 30m wide (see Figure 1)
- Significant spodumene mineralisation has been observed throughout the Pegasus outcrop, up to 40% in places, with individual crystals over 1 metre in length (see Figure 4)
- The third pegmatite identified, named “Lyra”, is 60m long x 15m wide and is mostly covered in dense vegetation. Stripping back the moss revealed areas of intense spodumene mineralisation with crystals up to 10cm in length
- The discoveries of Pegasus and Lyra significantly expand the known spodumene mineralised corridor at Auclair from 1.9km to over 6km along strike by 1.6km wide; this remains open in all directions
- Auclair has already demonstrated a highly fertile system with high grade mineralisation of up to 6.5% Li<sub>2</sub>O returned from recent sampling<sup>1</sup>
- The recent discoveries validate the highly prospective 10km trend of fractionated pegmatites identified through low K/Rb ratios from the early prospecting. Assays for the remaining 75% of prospecting samples are expected in the coming weeks
- Multiple spodumene-bearing pegmatites have already been identified at Auclair with first drilling intersecting visual spodumene-bearing pegmatites\* up to 13.9m wide over 1.9km of strike which are thought to represent a potential large swarm system<sup>1</sup>
- Work is ongoing to generate additional drill targets using the recently completed high resolution magnetics and LiDAR in conjunction with NewGen Geo, a consultancy specialising in the latest geophysical techniques in lithium exploration

\* In relation to the disclosure of visual occurrences of pegmatite and spodumene, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company expects to receive the laboratory analytical results of further rock chip samples in the December quarter.



*Cygnus Managing Director David Southam said: “Two of these new pegmatites, named Pegasus, are spectacular discoveries and provide more strong evidence that Auclair may host a substantial mineralised system.*

*“We have now established a 6km corridor of fertile strike, which remains open, and identified substantial pegmatite outcrops up to 75m long and 50m wide which are riddled with spodumene. This is a major exploration breakthrough which shows Auclair has clear scope to create substantial value for our shareholders.*

*“On top of this, significant amounts of spodumene mineralisation have been observed with coarse grained crystals over 1m in length. These are some of the largest crystals we have seen to date.*

*“Our success at Auclair has been delivered in a mere three months into the exploration season and clearly demonstrates we have only just scratched the surface of this untapped project tenure”.*

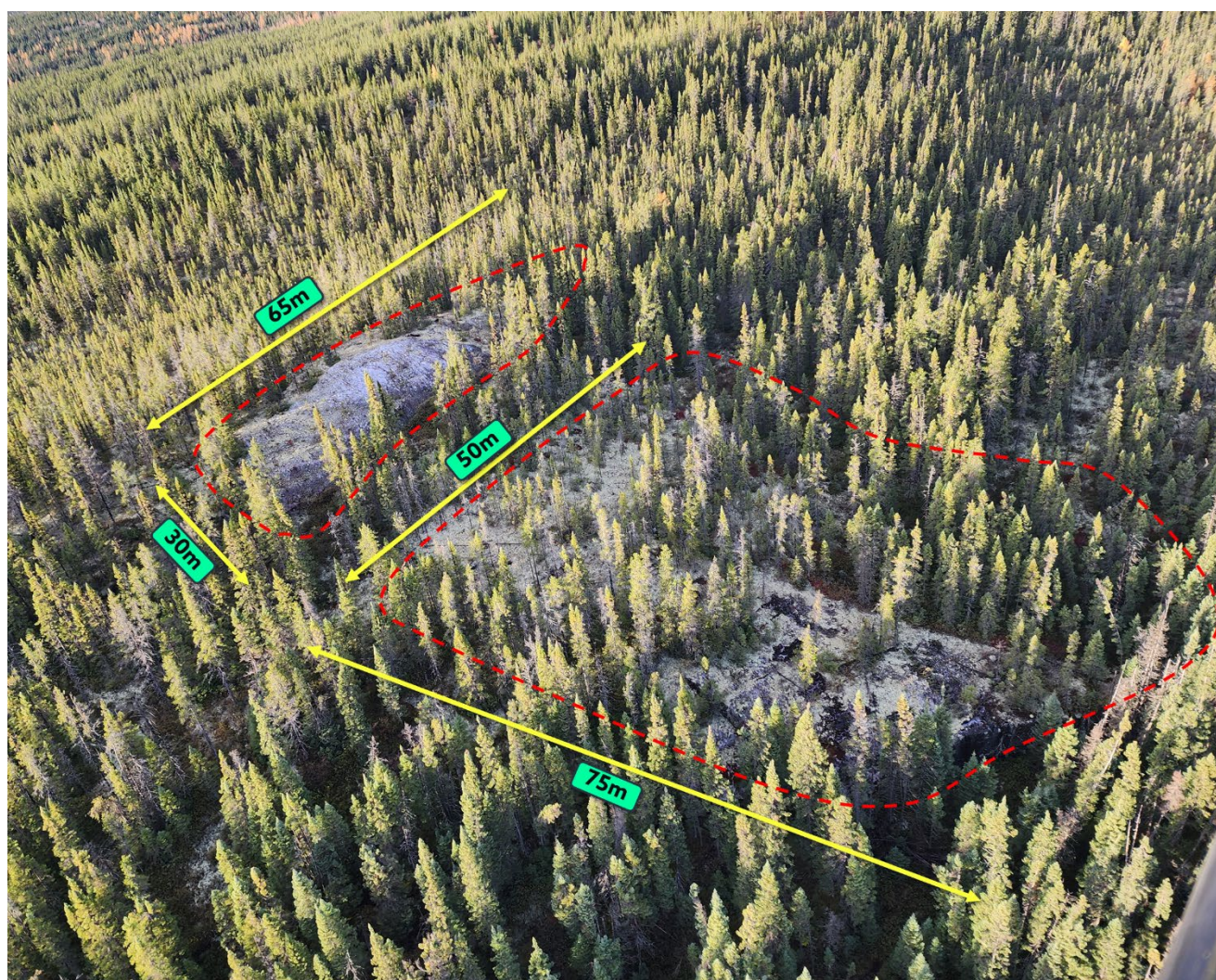


Figure 1: Aerial view of the Pegasus Discovery showing two large spodumene-bearing\* outcrops up to 50m wide.



Cygnus Metals Limited (ASX: CY5) is pleased to announce the discovery of multiple new spodumene-bearing pegmatites at its Auclair Lithium Project, with significant new outcrops up to 75m long x 50m wide.

The Company has now discovered three areas of spodumene pegmatites with the two most recent discoveries (Pegasus and Lyra) significantly expanding the prospective mineralised corridor to 6km. Both outcrops were discovered in an area of dense vegetation with the prospecting team following up on recent results which identified a highly fractionated trend with low K/Rb ratios over 10km of strike.

Pegasus consists of two significant outcrops that sit side by side, separated by 15m of vegetation. The southern outcrop has exposed dimensions 75m long by up to 50m wide while the northern outcrop is 65m in length by up to 30m wide. Significant spodumene mineralisation has been observed throughout both outcrops, up to 40% in places (refer Appendix A), and includes large individual crystals over 1m in length (refer Figure 4). The relationship between the two outcrops is unknown at present but may represent one single outcrop or a fold structure. Both outcrops remain totally open along strike under shallow glacial cover and dense vegetation.

Lyra is a single outcrop with exposed dimensions of 60m by 15m wide and is mostly covered by vegetation (Figure 5). Stripping back the moss revealed zones of dense spodumene mineralisation with crystals up to 10cm in length. Work is ongoing at both Pegasus and Lyra collecting samples and exposing as much of the area as possible in order to understand the orientation and apparent extent of the pegmatites for follow up drilling.

These recent discoveries continue to demonstrate the significant upside potential at Auclair; with a large fertile system, high grades of up to 6.5%  $\text{Li}_2\text{O}^1$  and now significant mineralised pegmatites up to 50m in width. These exciting new developments come off the back of prospecting work earlier in the season which helped to define a large 10km prospective corridor of highly fractionated pegmatites with low K/Rb ratios. Results are still pending for 75% of the prospecting samples (expected in the coming weeks). These results will help to define additional areas of high prospectivity with the samples covering a large northern portion of the vast 405sqkm Auclair Project. With the evolving narrative of Auclair throughout the exploration season it is clear the Company has barely scraped the surface with work completed to date and huge potential remains for further discovery.

### **Planned Exploration**

The Auclair Project demonstrates all the traits of a highly prospective lithium terrane with high grades, significant scale and structural complexity. Work over the winter months will include generating targets beneath cover by conducting additional geophysics and geochemical programs. This work is being conducted in conjunction with NewGen Geo, a consultancy specialising in the application of contemporary geophysical techniques in exploration for lithium bearing pegmatites. In addition, and in light of the new discoveries, the Company is assessing options to conduct a winter diamond drilling program at Auclair with the exploration camp already established and with all-weather road access to the site.

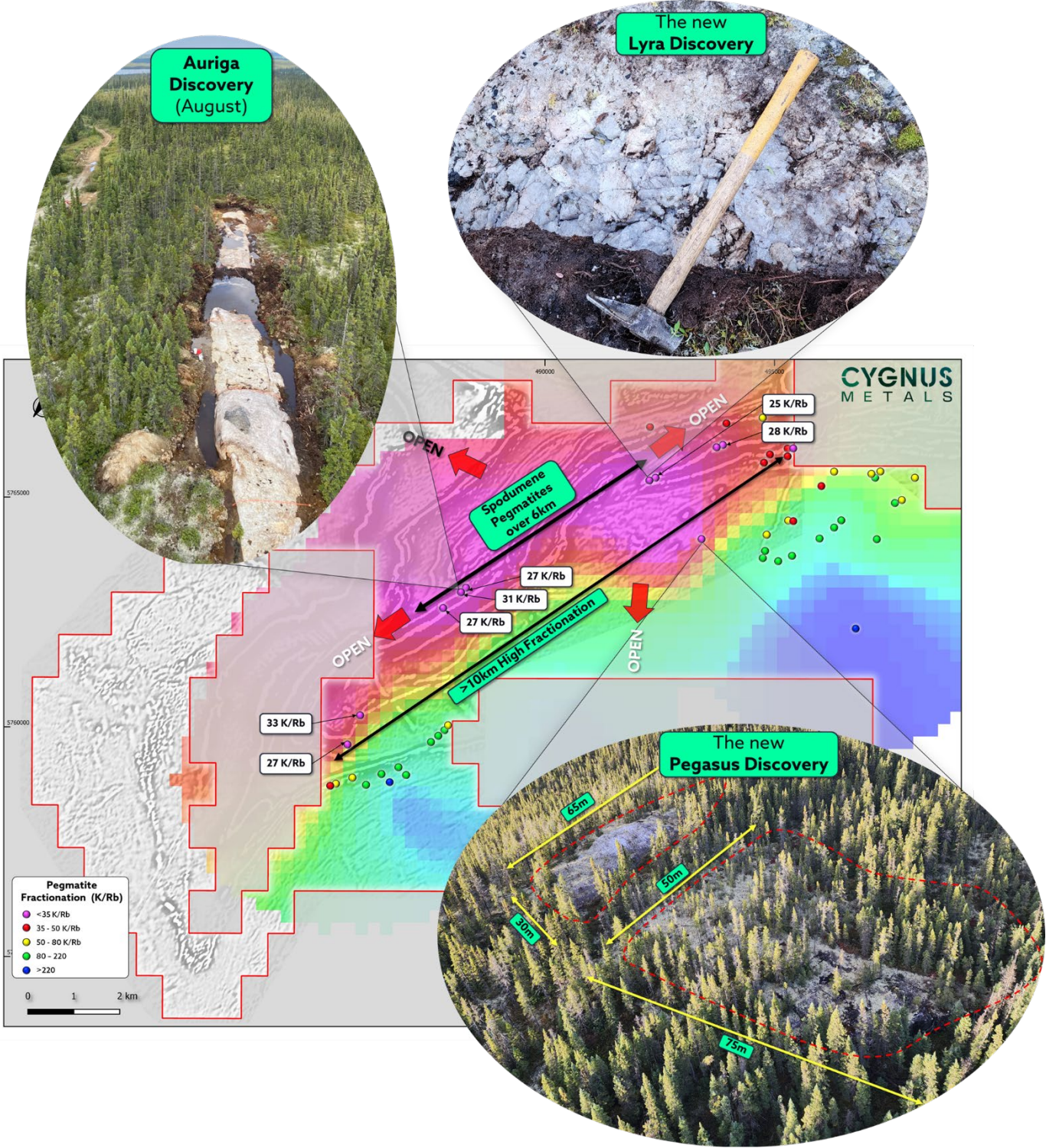


Figure 2: Multiple spodumene-bearing pegmatites\* discovered across 6km of strike with the Auriga, Lyra and Pegasus discoveries. These discoveries validate the prospectivity of the high fractionation trend over 10km, most of which remains under shallow glacial cover.





*Figure 3: Business Development Manager and Geologist, Gareth Reynolds at the Pegasus Discovery.*



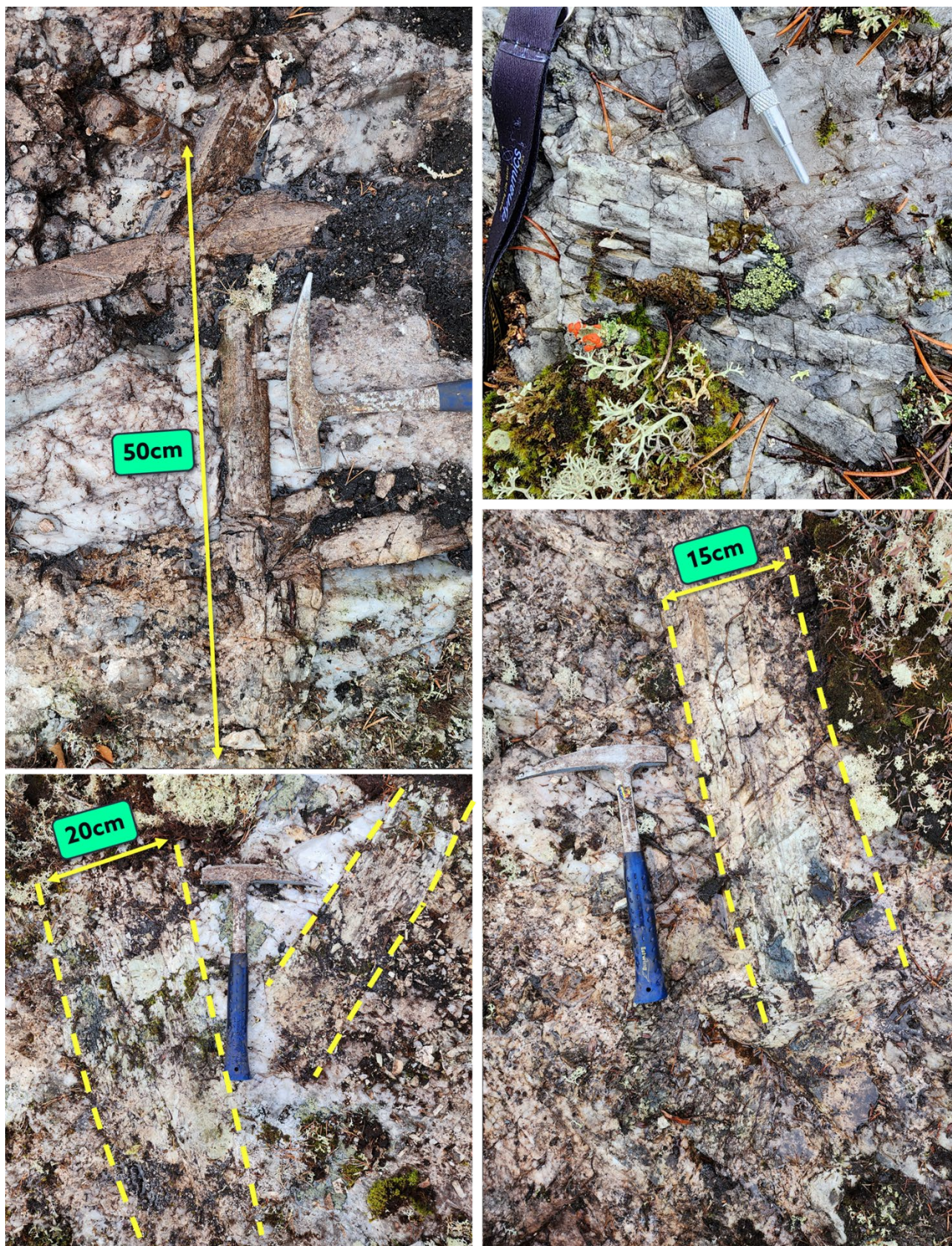


Figure 4: Abundant coarse spodumene crystals from the Pegasus Discovery.





Figure 5: Over 1m long spodumene crystals from the Pegasus Discovery.



Figure 6: The Lyra discovery with spodumene-bearing pegmatite\* covered by vegetation.





*Figure 7: Coarse grained spodumene crystals at the Lyra discovery.*

For and on behalf of the Board

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#### **About Cygnus Metals**

Cygnus Metals Limited (ASX: CY5) is an emerging exploration company focussed on advancing the Pontax Lithium Project (earning up to 70%), the Auclair Lithium Project and Sakami Lithium Project in the world class James Bay lithium district in Canada. In addition, the Company has REE and base metal projects at Bencubbin and Snake Rock in Western Australia. The Cygnus Board of Directors and Technical Management team have a proven track record of substantial exploration success and creating wealth for shareholders and all stakeholders in recent years. Cygnus Metals' tenements range from early-stage exploration areas through to advanced drill-ready targets.



### Competent Persons Statements

The information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation compiled by Mr Duncan Grieve, a Competent Person who is a member of The Australasian Institute of Geoscientists. Mr Grieve is the Chief Geologist and a full-time employee of Cygnus Metals and holds shares in the Company. Mr Grieve has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Grieve consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### End Notes

1. Refer to CY5’s ASX announcement on 19 October 2023.

The information in this announcement that relates to previously reported Exploration Results has been previously released in ASX Announcements as noted in the text and End Notes above. Cygnus Metals confirms that it is not aware of any new information or data that materially affects the information in the said announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

*\* In relation to the disclosure of visual occurrences of pegmatite and spodumene, the Company cautions that visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company expects to receive the laboratory analytical results of further rock chip samples in the December quarter.*



**APPENDIX A – Details of outcrop**

Coordinates given in UTM NAD83 (Zone 18)

<b>ID</b>	<b>East</b>	<b>North</b>	<b>RL</b>	<b>Geology</b>	<b>Mineralogy</b>
Lyra Discovery	492420	5765418	300	Pegmatite	Quartz, feldspar, green muscovite, tourmaline and beryl with spodumene. Trace to 10% spodumene
Pegasus Discovery <sup>^</sup>	493386	5764079	300	Pegmatite	Quartz, feldspar, green muscovite, tourmaline, beryl with spodumene. 5 - 40% Spodumene

<sup>^</sup>Note there are two large outcrops which together comprise the Pegasus discovery.



APPENDIX B – Grab Samples - 2012 JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<ul style="list-style-type: none"> <li>Grab samples were collected from surface exposure using a rock hammer and/or a diamond saw. The sample between 0.5-2kg is collected in a marked sample bag for submission for assay</li> <li>Grab samples were collected by hand and in many cases several rock chips were collected from a single location to ensure representivity</li> </ul>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<ul style="list-style-type: none"> <li>No drilling results are reported therefore information about drilling techniques is not available</li> </ul>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<ul style="list-style-type: none"> <li>No drilling results are reported therefore information about drill sample recovery is not available</li> </ul>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>	<ul style="list-style-type: none"> <li>Samples were logged in the field according to rock type, colour, mineral assemblage, location and date/time of collection before being placed in calico sample bags and assigned a sample number</li> </ul>
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p>	<ul style="list-style-type: none"> <li>Geological logging is qualitative and descriptive in nature</li> </ul>
	<p><i>The total length and percentage of the relevant intersections logged.</i></p>	<ul style="list-style-type: none"> <li>All samples were logged</li> </ul>



Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<ul style="list-style-type: none"> <li>Whole samples were collected in sample bags</li> <li>Sampling practice is deemed appropriate to the geology and mineralisation of the deposit and complies with industry best practice</li> <li>Samples were submitted to SGS preparation lab in Lakefield, Ontario</li> <li>At Lakefield the samples are dried at 105°C, crushed to 75% passing 2 mm, riffle split 250 g, and pulverize 85% passing 75 microns</li> <li>Laboratory QC procedures for rock chip assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates</li> <li>The pulps were shipped by air to SGS Canada's laboratory in Burnaby, BC</li> </ul>
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p>	<ul style="list-style-type: none"> <li>The samples were analysed at SGS Canada laboratory in Burnaby, BC</li> <li>Industry standard assay quality control techniques were used for lithium related elements</li> <li>The samples were homogenized and subsequently analysed for multi-element (including Li and Ta) using sodium peroxide fusion with ICP-AES/MS finish (codes GE_ICP91A50 and GE_IMS91A50)</li> </ul>
	<p>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p>	<ul style="list-style-type: none"> <li>None used</li> </ul>
	<p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	<ul style="list-style-type: none"> <li>Laboratory QC procedures for rock chip assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates</li> <li>The company also submitted certified reference material and blanks with one in every 10 samples</li> <li>Results for both met QAQC tolerances</li> </ul>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p>	<ul style="list-style-type: none"> <li>Verification was made by Cygnus Metals and other professional consultant geologists</li> </ul>
	<p>The use of twinned holes.</p>	<ul style="list-style-type: none"> <li>No drilling results are reported therefore information about twinned holes is not available</li> </ul>



Criteria	JORC Code Explanation	Commentary
	<p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <hr/> <p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> <li>All data has been reviewed, documented, and stored by IOS Services Geoscientifiques Inc, a professional exploration services company based out of Saguenay, Quebec</li> <li>There were no adjustments to the assay data. Oxide conversions were calculated for Li<sub>2</sub>O and Ta<sub>2</sub>O<sub>5</sub> using factors of 2.1527 and 1.2211 respectively.</li> </ul>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <hr/> <p><i>Specification of the grid system used.</i></p> <hr/> <p><i>Quality and adequacy of topographic control.</i></p>	<ul style="list-style-type: none"> <li>The location of sample points was recorded with a Garmin GPS model "GPSmap 62s" (4m accuracy)</li> <li>The grid system used is UTM NAD83 (Zone 18)</li> <li>Located with a Garmin GPS model "GPSmap 62s"</li> </ul>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <hr/> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <hr/> <p><i>Whether sample compositing has been applied.</i></p>	<ul style="list-style-type: none"> <li>The samples reported in this announcement were collected randomly from outcrops and other areas of interests by field geologists</li> <li>No resource estimation is made</li> <li>No compositing has been applied to the exploration results</li> </ul>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <hr/> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<ul style="list-style-type: none"> <li>No drilling results are reported therefore information about drilling orientation is not available</li> <li>No drilling results are reported therefore information about drilling orientation is not available</li> </ul>
Sample security	<p><i>The measures taken to ensure sample security.</i></p>	<ul style="list-style-type: none"> <li>Samples are taken on site before being trucked to the IOS Services Geoscientifiques laboratory in Saguenay, Quebec through reputable transportation companies. Samples are then sorted and trucked to SGS Lakefield</li> <li>The Company takes full responsibility on the custody including the sampling process itself and transportation</li> </ul>
Audits or reviews	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<ul style="list-style-type: none"> <li>No audits or reviews have been completed</li> </ul>



## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	<ul style="list-style-type: none"> <li>The data reported within this announcement is from the Auclair Lithium Project. Cygnus owns 100% of 175 claims at Auclair, following completion of the acquisition from Osisko Exploration James Bay Inc and pegging of open ground</li> <li>A further 589 claims at Auclair are under an option agreement with Canadian Mining House, Anna Rosa Giglio and Steve Labranche for the Beryl Property, which is immediately adjacent to and surrounds the original Auclair property</li> <li>A further 22 claims have been acquired through a transaction with Noranda Royalties and 6998046 Canada Inc. announced July 2023 giving Cygnus 100% ownership of the claims</li> <li>Combined these properties form the Auclair Lithium Project, which consists of 786 mining titles or cells designated on maps (CDC) for a total area of 417km<sup>2</sup></li> </ul>
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<ul style="list-style-type: none"> <li>There are no known issues affecting the security of title or impediments to operating in the area</li> </ul>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<ul style="list-style-type: none"> <li>Some drilling intersections and results discussed are based on historical exploration drilling completed by Virginia Mines Inc (now Osisko Exploration James Bay Inc)</li> </ul>
Geology	Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none"> <li>The Auclair Property is situated within the Middle to Lower Eastmain Greenstone Belt, which forms part of the La Grande sub-province of the Archean Superior Province of the Canadian Shield. The geology of the property comprises tholeiitic basalts and paragneiss with extensive banded iron formation horizons</li> <li>The area is considered prospective for both gold and lithium</li> </ul>
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> </ul>	<ul style="list-style-type: none"> <li>No drilling results are reported therefore detailed drillhole information is not available</li> </ul>



Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	<ul style="list-style-type: none"> <li>• No data aggregation methods have been applied</li> </ul>
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	<ul style="list-style-type: none"> <li>• No data aggregation methods have been applied</li> </ul>
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	<ul style="list-style-type: none"> <li>• No metal equivalent reporting has been applied</li> </ul>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<ul style="list-style-type: none"> <li>• No mineralisation widths are reported</li> </ul>
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	<ul style="list-style-type: none"> <li>• Included elsewhere in this release. Refer figures in the body text</li> </ul>
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	<ul style="list-style-type: none"> <li>• All results have been reported</li> </ul>
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<ul style="list-style-type: none"> <li>• All reference to mineralogy of the pegmatites is included within the comments</li> </ul>
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<ul style="list-style-type: none"> <li>• Cygnus Metals intends to drill test the depth and lateral extensions of the identified Auclair pegmatites</li> <li>• Further work will include geophysics and prospecting</li> <li>• Not enough data is available for geological interpretation</li> </ul>